



THE TRANSPARENCY ACT & SUB-GRANTING REPORTING REQUIREMENTS

Information for State Arts Agencies, Regional Arts Organizations,
and designated Local Arts Agencies

May 2011

What is the Transparency Act?

The Federal Funding Accountability and Transparency Act (*FFATA or Transparency Act - P.L. 109-282, as amended by section 6202(a) of P.L. 110-252*) requires the Office of Management and Budget (OMB) to maintain a single, searchable website that contains information on all Federal spending awards. That site is www.USASpending.gov.

The Transparency Act's definition of "Federal awards" included not only prime awards for grants, cooperative agreements, loans, and contracts, but also sub-grants and sub-contracts. For the past four years, the National Endowment for the Arts has provided monthly reports to USASpending.gov on its prime awards as required by the law. The sub-award reporting component, which was part of the original Act, went into effect on October 1, 2010, and will further enhance the transparency of federal spending.

What is a sub-award?

OMB guidance defines a sub-award as a monetary award made as a result of a Federal award to a **grant recipient** (i.e., the NEA award to a State Arts Agency, Local Arts Agency, or Regional Arts Organization) that is then disbursed to a **sub-recipient**. (Note: regardless of whether you call your awards grants or contracts, they are considered grants for purposes of this reporting.)

What Federal awards are subject to these new reporting requirements?

NEA awards issued after October 1, 2010 are subject to all Transparency Act sub-grant reporting requirements. This includes all FY11 grants and cooperative agreements (i.e., award numbers beginning with 11-XXXX-XXXX and cooperative agreements numbers beginning with DCA-2011-XX) that are approved for sub-granting activity.

Note: Transparency Act reporting requirements affect only sub-awards of \$25,000 or more in Federal funds. Sub-awards that include a lesser Federal amount do not need to be reported through this system.

Where will eligible NEA sub-granting organizations report this information?

Prime awardees will report on their sub-awards using the FFATA Sub-award Reporting System (FSRS) at www.fsrs.gov. Please review the attached reference guide for an overview of how to register in FSRS and prepare to report; a more detailed Awardee User Guide is also available on the FSRS site.

How will this information be reported?

Prime awardees will begin their reports by entering their NEA award number (exactly as it appears on your award letter, including letters and hyphens); this will automatically link the report to the NEA's award number and data. Much like the Recovery Act reporting mechanism, this system will then pre-populate information that already exists in databases such as the Central Contractor Registration System (CCR) and DUNS. Unlike the Recovery Act, however, basic award data will also pre-populate based on information that the NEA reports on your award to www.USASpending.gov. Please also note that only prime awardees can submit reports; your sub-awardees do not report their own information.

Note: All sub-awardees MUST have a Dun & Bradstreet (DUNS) number.

What information must be reported as part of the Transparency Act?

The following data is required for each sub-award obligated with \$25,000 or more of Federal funds:

- Information will pre-populate {
- a. Name of entity receiving award
 - b. Amount of award
 - c. Funding agency (i.e. National Endowment for the Arts)
 - d. Federal CFDA program number
 - e. Program source
 - f. Award title descriptive of the purpose of the funding action
 - g. Location of the entity (including congressional district)
 - h. Place of performance (including congressional district)
 - i. Unique identifier of the entity (aka the DUNS) and its parent, if appropriate; and
 - j. Total compensation and names of top five executives (same threshold as for primes)

Note: We do not expect our grantees to have to report on executive compensation. If you believe otherwise, please contact us prior to reporting. Remember, this is required only if:

- a. More than 80% of annual gross revenues from the federal government, and those revenues are greater than \$25 million annually and
- b. The public doesn't have access to information about the compensation of the top five executives through periodic reports filed under section:
 - 6104 of the Internal Revenue Code of 1986 (e.g., 990s);
 - 13(a) or 15(d) of the Securities Exchange Act of 1934 (15USC 78m(a), 78o(d)); or through reports made available for state, local or county governments.

When will NEA sub-granting organizations report this information?

Prime awardees will have until the end of the month plus one additional month after a sub-award is obligated (legally issued) to fulfill the reporting requirement. For example, if a sub-award was made on October 15, 2011, the prime recipient has until November 30, 2011 to report the sub-award information.

Note: The NEA does not know when you make your sub-awards; therefore, we cannot send reporting reminders. You are responsible for ensuring your organization's compliance with this reporting requirement.

Will this data be displayed to the public?

Yes. Report data will be displayed to the public via www.USASpending.gov under the "Sub-Award Spending Data" section.

General Terms and Conditions for NEA awards

These Transparency Act sub-recipient reporting requirements have been incorporated into the General Terms and Conditions for your award. Remember that as a prime recipient, you are responsible for monitoring your sub-recipient organizations to ensure compliance with all other Federal and agency requirements as outlined and/or referenced in the General Terms.

Registration and Reporting in FSRs.gov

The NEA has prepared a quick reference guide to assist you in registering and reporting in FSRs.gov. Please see the enclosed and feel free to contact us with questions or suggestions on how we can improve this guidance.

If you have questions or concerns regarding Transparency Act reporting, please contact Carrie Holbo, Grants Specialist, at (202) 682-5480 or holboc@arts.gov.